



Republic of the Philippines  
Supreme Court  
Manila

SUPREME COURT OF THE PHILIPPINES  
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Third Division

THIRD DIVISION

JUL 19 2019

**MANUEL B. PABLICO and  
MASTER'S PAB RESTO BAR,**  
Petitioners,

**G.R. No. 227200**

Present:

PERALTA, J.,  
*Chairperson,*  
LEONEN,  
REYES, A., JR.,  
HERNANDO, and  
INTING, JJ.

- versus -

**NUMERIANO B. CERRO, JR.,  
MICHAEL CALIGUIRAN, EFREN  
PANGANIBAN, GENIUS PAUIG,  
REYNALIE LIM, GLORIA  
NAPITAN, RICHARD CARONAN  
and MANNY BAGUNO,**  
Respondents.

Promulgated:

June 10, 2019

*Wilfredo V. Lapitan*

X-----X

**DECISION**

**REYES, A., JR., J.:**

Before this Court is a Petition for Review<sup>1</sup> filed by Manuel B. Pablico (petitioner) and Master's Pab Resto Bar under Rule 45 of the 1997 Rules of Civil Procedure seeking to annul and set aside the Decision<sup>2</sup> of the Court of Appeals (CA) in C.A. G.R. SP No. 131134 dated October 27, 2015, and its Amended Decision<sup>3</sup> dated September 19, 2016, partly granting the motion for reconsideration thereof.

<sup>1</sup> Rollo, pp. 12-22.

<sup>2</sup> Penned by Associate Justice Ramon A. Cruz, with Associate Justices Marlene Gonzales-Sison and Ma. Luisa C. Quijano Padilla, concurring; id. at 32-41.

<sup>3</sup> Id. at 43-47.

*Reyes*

### The Antecedent Facts

Respondent Numeriano Cerro, Jr. (Cerro) works as a bartender in Master's Pab Resto Bar (MPRB). At the former's suggestion, the petitioner purchased and took over the management of MPRB from its original owner, the Feliciano family, on November 18, 2008.<sup>4</sup>

On the same day, the petitioner took over, he promoted Cerro as Officer-in-Charge with a daily wage of ₱200.00, and gave the latter the authority to hire additional employees.<sup>5</sup> Pursuant to which, herein respondents were employed to work at MPRB, *viz.*:

| NAME                               | DATE OF EMPLOYMENT | POSITION       | DAILY WAGE    |
|------------------------------------|--------------------|----------------|---------------|
| Michael Caliguiran<br>(Caliguiran) | November 18, 2008  | Disk Jockey    | Php<br>200.00 |
| Eiren Panganiban<br>(Panganiban)   | November 18, 2008  | Cook           | Php<br>200.00 |
| Gloria Napitan<br>(Napitan)        | March 26, 2008     | Accountant     | Php<br>200.00 |
| Reynalie Lim<br>(Lim)              | January 23, 2011   | Barmaid        | Php<br>200.00 |
| Manny Baguno<br>(Baguno)           | March 2, 2011      | Utility        | Php<br>133.33 |
| Genius Pauig<br>(Pauig)            | November 18, 2008  | Waiter         | Php<br>157.66 |
| Richard Caronan<br>(Caronan)       | March 2, 2011      | Assistant Cook | Php<br>166.66 |

Sometime in September 2011, due to several infractions that caused MPRB losses, the petitioner transferred Cerro to another establishment.<sup>6</sup> On October 18, 2011, respondents Caliguiran, Panganiban, Pauig, Lim, Napitan, Caronan, and Baguno received text messages, which they interpreted to mean that they have been terminated from work on account of their close association to Cerro.<sup>7</sup>

Acting on this, on October 24, 2011, the respondents then filed a Complaint<sup>8</sup> for illegal dismissal, underpayment of salaries and benefits, damages and attorney's fees before the National Labor Relations Commission (NLRC).

<sup>4</sup> Id. at 33.

<sup>5</sup> Id. at 33-34.

<sup>6</sup> Id. at 34.

<sup>7</sup> Id. at 34, 50-51, and 149.

<sup>8</sup> Id. at 77-78.

*Mejia*

On March 30, 2012, Labor Arbiter (LA) Jaime M. Reyno rendered his Decision,<sup>9</sup> the dispositive portion of which reads:

WHEREFORE, premises considered, judgment is hereby rendered dismissing the complaint for lack of merit.

SO ORDERED.<sup>10</sup>

In his Decision, the LA dismissed the respondents' claim of illegal dismissal. Insofar as Cerro, the LA held that his suspension is a valid exercise by the employer of disciplinary authority pursuant to the former's infractions. Anent the other respondents on the other hand, the LA held that they failed to discharge the burden of proving that they have been terminated. Finally, on account of the respondents' money claims, the LA found the payrolls presented by the petitioner as sufficient proof of payment.<sup>11</sup>

The respondents appealed to the NLRC. On November 21, 2012, the NLRC promulgated its Decision.<sup>12</sup> Therein, the NLRC ruled:

WHEREFORE, premises considered, the appeal is Partially Granted. The Decision of the [LA] dated March 30, 2012 is hereby AFFIRMED with MODIFICATION. The Decision of the [LA] is sustained insofar as (1) the legality of complainant Cerro's suspension, (2) the dismissal of complainants' claim of illegal dismissal and (3) dismissal of complainants' claim for moral and exemplary damages are concerned. However, regarding complainants' monetary claims, the Commission finds that they are entitled to the following, namely: (1) wage differentials for 3 years counted backwards from October 2011; and (2) 13th month pay for a period of 3 years counted backwards from October 2011. Moreover, as a consequence of the finding that complainants were not dismissed from employment, complainants are directed to return to work and respondents are directed to reinstate complainants to their former positions, without backwages. Considering, however, the apparent strained relations between the parties brought about by the filing of this complaint, respondents are directed to grant separation pay, in lieu of reinstatement, to each of complainants, reckoned from date of his/her employment up to the finality of this Decision.

The Computation Division of this Office is directed to make the necessary computation of the separation pay and herein monetary benefits herein granted complainants, which shall form an integral part of this Decision.

SO ORDERED.<sup>13</sup>

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<sup>9</sup> Id. at 148-155.

<sup>10</sup> Id. at 155.

<sup>11</sup> Id. at 151-154.

<sup>12</sup> Id. at 49-59.

<sup>13</sup> Id. at 58-59

*Reyno*

Unsatisfied with the decision of the NLRC, the respondents filed a partial motion for reconsideration, which the NLRC denied in its Resolution<sup>14</sup> dated May 20, 2013.

The petitioner elevated the case to the CA *via* a petition for *certiorari* under Rule 65 of the Rules of Court. The CA rendered the herein assailed Decision<sup>15</sup> on October 27, 2015, the dispositive portion of which reads:

**WHEREFORE**, there being no grave abuse of discretion amounting to lack or excess of jurisdiction committed by the NLRC, the petition is **DISMISSED** for lack of merit.

**SO ORDERED.**<sup>16</sup> (Emphases in the original)

On motion for reconsideration, the CA issued an Amended Decision<sup>17</sup> on September 19, 2016, adjudging as follows:

**WHEREFORE**, premises considered, the petitioner's Motion for Reconsideration is **PARTIALLY GRANTED**. Our Decision dated October 27, 2015 is MODIFIED in that the NLRC's Decision dated November 21, 2012 in NLRC NCR CASE No. 10-16169-11 / NLRC LAC NO. 05-001595-12 is affirmed except for the award of Separation Pay which is hereby **DELETED**.

**SO ORDERED.**<sup>18</sup> (Emphases Ours)

Thus, this petition for review on *certiorari* filed by the petitioner, attributing the following errors committed by the CA for the Court's consideration, *to wit*:

1. THE NLRC COMMITTED A REVERSIBLE ERROR WHEN IT RULED THAT THE PETITIONER IS NOT EXEMPT FROM THE MINIMUM WAGE LAW;
2. THE NLRC COMMITTED A REVERSIBLE ERROR WHEN IT GRANTED THE CLAIM OF THE EMPLOYEES FOR WAGE DIFFERENTIAL WITHOUT DUE REGARD TO THE EVIDENCE PRESENTED BY THE PETITIONER IN RESPECT OF THE AMOUNT OF SALARY BEING PAID TO HIS EMPLOYEES; and

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<sup>14</sup> Id. at 63-65.

<sup>15</sup> Id. at 32-41.

<sup>16</sup> Id. at 39-40.

<sup>17</sup> Id. at 43-47.

<sup>18</sup> Id. at 45.

*Meyer*

3. THE NLRC COMMITTED GRAVE ABUSE OF DISCRETION AMOUNTING TO LACK OR EXCESS OF JURISDICTION IN ARBITRARILY COMPUTING THE ALLEGED LIABILITY OF THE PETITIONER.<sup>19</sup>

### Ruling of the Court

The petition is **not** meritorious.

As the Court sees it, the petitioner merely reiterates the same points he has raised in his petition before the CA. The petitioner argues that he is exempted from the application of the “Minimum Wage Law” as he is engaged in the service business that employs less than ten (10) employees. He asserts that the mere fact that his business has not been granted exemption by the Department of Labor and Employment (DOLE) does not disqualify him from availing the benefits of the said law, as a layman like him cannot be expected to be knowledgeable of this requirement.<sup>20</sup> Also, the petitioner faults the NLRC in not considering the “*Pinagsamang Sinumpaang Salaysay*” issued by the Guest Relations Officers/Waitresses working at MPRB as proof that the same individuals are not its employees.<sup>21</sup>

Preliminarily, it must be stated that the labor tribunals and the CA were unanimous in ruling that Cerro’s suspension is legal and that the rest of the respondents have not been dismissed. The Court agrees.

Cerro admitted having appropriated the funds of the MPRB without the knowledge and consent of its owner, for sure, this act justifies the exercise of management prerogative to place him under preventive suspension particularly considering his position.<sup>22</sup> Being an Officer-in-Charge of MPRB, Cerro is responsible for the company’s over-all operations and, as such in a position, cause damage to the property of the employer.

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<sup>19</sup> Id. at 16-17.

<sup>20</sup> Id. at 18.

<sup>21</sup> Id. at 20.

<sup>22</sup> Sections 8 and 9 of Rule XXIII, Book V of the Omnibus Rules Implementing the Labor Code, as amended by DOLE Department Order No. 9, Series of 1997, which read:

SEC. 8. *Preventive suspension.* - The employer may place the worker concerned under preventive suspension if his continued employment poses a serious and imminent threat to the life or property of the employer or of his co-workers.

SEC. 9. *Period of suspension.* - No preventive suspension shall last longer than thirty (30) days. The employer shall thereafter reinstate the worker in his former or in a substantially equivalent position or the employer may extend the period of suspension provided that during the period of extension, he pays the wages and other benefits due to the worker. In such case, the worker shall not be bound to reimburse the amount paid to him during the extension if the employer decides, after completion of the hearing, to dismiss the worker.

*Meyer*

Similarly, the Court affirms that the rest of the respondents have not been terminated. It is a basic principle in illegal dismissal cases that the employees must first establish by competent evidence the fact of their termination from employment. In this regard, mere allegation does not suffice, evidence must be substantial and the fact of dismissal must be clear, positive and convincing.<sup>23</sup> In the case at bar, respondents Caliguiran, Panganiban, Pauig, Lim, Napitan, Caronan, and Baguno failed to discharge this burden. The only evidence they presented are text messages supposedly informing them that they have been terminated. However, as opined by the tribunals below, nowhere from the language thereof can it be remotely inferred that they are being terminated.<sup>24</sup> It was also not shown that the respondents tried reporting for work, but were prevented to do so. Jurisprudence settled that the claim of illegal dismissal cannot be sustained in the absence of any showing of an overt or positive act proving that the employees have been dismissed, as the employees' claim in that eventuality would be "self-serving, conjectural and of no probative value."<sup>25</sup> In the same vein, the rule that the employer bears the burden of proof in illegal dismissal cases finds no application in this case as the petitioner denies having dismissed the respondents,<sup>26</sup> and the latter failed to prove the fact of termination.

Next, the petitioner argues that the respondents are not entitled to wage differentials as he is engaged in the service business employing less than ten (10) employees.

It is a basic principle in procedure that the burden is upon the person who asserts the truth of the matter that he has alleged.<sup>27</sup> The Court emphasized in *C. Planas Commercial v. NLRC (Second Division)*,<sup>28</sup> that in order to be exempted under Republic Act (R.A.) No. 6727 or the *Wage Rationalization Act*, two elements must concur - *first*, it must be shown that the establishment is regularly employing not more than ten (10) workers, and *second*, that the establishment had applied for and was granted exemption by the appropriate Regional Board in accordance with the applicable rules and regulations issued by the Commission.<sup>29</sup> The conclusion proceeds from the unequivocal language of the law itself:

**Section 4.** x x x

x x x x

(c) Exempted from the provisions of this Act are x x x

<sup>23</sup> *Tri-C General Services v. Matuto, et al.*, 770 Phil. 251, 262 (2015).

<sup>24</sup> *Rollo*, p. 88.

<sup>25</sup> *Tri-C General Services v. Matuto, et al.*, supra note 23, at 262.

<sup>26</sup> *Id.* at 262-263.

<sup>27</sup> *Aznar Brothers Realty Company v. Aying, et al.*, 497 Phil. 788, 803 (2005).

<sup>28</sup> 511 Phil. 232 (2005).

<sup>29</sup> *Id.* at 241-242.

*Meyer*

Retail/service establishments regularly employing not more than ten (10) workers may be exempted from the applicability of this Act upon application with and as determined by the appropriate Regional Board in accordance with the applicable rules and regulations issued by the Commission. Whenever an application for exemption has been duly filed with the appropriate Regional Board, action on any complaint for alleged non-compliance with this Act shall be deferred pending resolution of the application for exemption by the appropriate Regional Board.

In the event that applications for exemptions are not granted, employees shall receive the appropriate compensation due them as provided for by this Act plus interest of one per cent (1%) per month retroactive to the effectivity of this Act.<sup>30</sup>

Herein, the petitioner himself admitted that he did not apply for such exemption, thus, it is clear that he cannot claim benefits under the law. The petitioner cannot shield himself from complying with the law by the lone fact that he is just a layman and cannot be expected to know of the law's requirements. Under our legal system, ignorance of the law excuses no one from compliance therewith.<sup>31</sup> Furthermore, the policy of the Labor Code, under which R.A. No. 6727 is premised, is to include all establishments, except a few specific classes, under the coverage of the law.<sup>32</sup> As the petitioner failed to apply for an exemption, and it is undisputed that the respondents are MPRB's employees and are paid less than the prescribed minimum wage, the petitioner's liability for wage differential cannot be denied.

Although inconsequential, with the petitioner's liability already established, it is still useful to state that the first element is also wanting in the case at bar. Herein, the LA, the NLRC, and the CA all found that the petitioner is employing more than ten (10) employees in his establishment. The petitioner counters the foregoing conclusion, raising in evidence the affidavit issued collectively by its guest relations officers/waitresses.

Employment status is not determined by contract or document. Neither is an employee's avowal of his or her employment status - as regular, casual, contractual, seasonal - conclusive upon the Court. To be sure, employment status is determined by the four-fold test, and the attendant circumstances of each case, as supported by any competent and relevant evidence.<sup>33</sup> The status of employment cannot be dictated by the stipulation of contract or any document, because the same is contrary to public policy and heavily impressed with public interest. The law relating to labor and employment is an area where the parties are not at liberty to

<sup>30</sup> R.A. No. 6727, *Wage Rationalization Act*.

<sup>31</sup> CIVIL CODE OF THE PHILIPPINES, Article 3.

<sup>32</sup> *Cf. Murillo v. Sun Valley Realty, Inc.*, 246 Phil. 279, 285-286 (1988).

<sup>33</sup> *Fuji Television Network, Inc. v. Espiritu*, 749 Phil. 388, 412-413 (2014).

*Meyer*

insulate themselves and their relationships from the impact of labor laws and regulations by means of contract or waiver.<sup>34</sup>

Still, the Court finds no reason to disturb the findings of the labor tribunals. Well-settled is the rule that factual findings of labor officials, who are deemed to have acquired expertise in matters within their jurisdiction, are generally accorded not only respect but even finality and bind this Court when supported by substantial evidence,<sup>35</sup> as in the case at bar. The mere existence of these guest relations officers/waitresses employed under the same terms and conditions as the respondents is sufficient to disqualify petitioner and MPRB from the exemption under R.A. No. 6727. Devoid of any unfairness or arbitrariness in the labor tribunals' decision making process, the Court is left with no recourse but to affirm the findings made by them.<sup>36</sup>

Since there is a clear violation of R.A. No. 6727, the petitioner is also liable to pay interest on the appropriate compensation due, not only by the express provision of the law but because the failure to pay constitutes a loan or forbearance of money, at the rate of one percent (1%) per month or twelve percent (12%) *per annum*. The Court must clarify that in keeping with the reason behind the law in imposing the same interest, and in light of the Court's ruling in *Nacar v. Gallery Frames, et al.*,<sup>37</sup> the imposition of interest must be reconciled with Bangko Sentral ng Pilipinas Monetary Board Resolution No. 796 dated May 16, 2013,<sup>38</sup> which effectively amended the rate of interest.<sup>39</sup> Accordingly, the amount of wage differentials which the petitioner owed to the respondents shall earn interest at the rate of twelve percent (12%) *per annum* from the time payment thereof has accrued or their respective dates of employment until the date they last reported for work or July 1, 2013, whichever is earlier.<sup>40</sup> Thereafter, it having been concluded that the respondents have not been illegally dismissed and as such entitled to reinstatement, provided that they have rendered services within the period, the interest shall be six percent (6%) *per annum* until their full satisfaction.<sup>41</sup> Simple enough, the case presents no controversy on this aspect as it appears

<sup>34</sup> *Servidad v. NLRC*, 364 Phil. 518, 527 (1999), citing *Pakistan International Airlines Corp. v. Hon. Ople*, 268 Phil. 92, 101 (1990).

<sup>35</sup> *C. Planas Commercial v. NLRC (Second Division)*, supra note 28, at 243.

<sup>36</sup> Id. at 243-244.

<sup>37</sup> 716 Phil. 267 (2013).

<sup>38</sup> The Monetary Board, in its Resolution No. 796 dated 16 May 2013, approved the following revisions governing the rate of interest in the absence of stipulation in loan contracts, thereby amending Section 2 of Circular No. 905, Series of 1982:

Section 1. The rate of interest for the loan or forbearance of any money, goods or credits and the rate allowed in judgments, in the absence of an express contract as to such rate of interest, shall be six percent (6%) per annum.

Section 2. In view of the above, Subsection X305.1 of the Manual of Regulations for Banks and Sections 4305Q.1, 4305S.3 and 4303P.1 of the Manual of Regulations for Non-Bank Financial Institutions are hereby amended accordingly.

This Circular shall take effect on 1 July 2013.

<sup>39</sup> See *Sec. of the Dep't. of Public Works and Highways, et al. v. Sps. Tecson*, 758 Phil. 604, 639 (2015).

<sup>40</sup> Id.

<sup>41</sup> Id.

*Meyer*



that the respondents ceased to report to work prior to July 1, 2013 per Report<sup>42</sup> of the Computation Division of the NLRC:

| <b>NAMES</b> | <b>DATE EMPLOYED</b> | <b>DATE LAST REPORTED TO WORK</b> |
|--------------|----------------------|-----------------------------------|
| Cerro        | November 18, 2008    | June 30, 2010                     |
| Caliguiran   | November 18, 2008    | June 30, 2010                     |
| Panganiban   | November 18, 2008    | June 30, 2010                     |
| Napitan      | March 26, 2010       | June 30, 2010                     |
| Lim          | January 23, 2011     | October 18, 2011                  |
| Baguno       | March 2, 2011        | October 18, 2011                  |
| Pauig        | November 18, 2008    | June 30, 2010                     |
| Caronan      | March 2, 2011        | October 18, 2011                  |

Fittingly, the foregoing dates should serve as basis not only of the amount of wage differential but of the proper interest due. Having ruled out illegal dismissal, no wages are due for the period they have not reported to work.

Finally, the petitioner raises as the final error on this appeal the award of the monetary benefits in favor of the respondents. The petitioner posits that the NLRC and the CA erred in not relying on his documentary evidence. He claims that had the payrolls been considered, they would be sufficient to prove that the respondents have been paid of the benefits they now claim. Ultimately, the petitioner argues that while the documents he presented are mere photocopies, the fact that the allegation of forgery has been dismissed by the Office of the City Prosecutor of Quezon City<sup>43</sup> should render the same sufficient for the purpose of this appeal.

The petitioner's arguments are not persuasive.

The dismissal of the allegation of forgery only means, at most, that the signatures therein are genuine. In fact, the Resolution<sup>44</sup> issued by the Assistant City Prosecutor provides that the basis of dismissal is not the absolute certainty that the signatures in the payroll belong to the respondents; rather, it is because of the failure by the respondents to adduce evidence to establish the manner in which the petitioner committed the alleged forgery.<sup>45</sup> The dismissal notwithstanding, the fact remains that the documents presented by the petitioner are plain photocopies and insufficient in this regard to support his allegation of payment. While photocopied documents are generally admitted and given probative value in administrative proceedings, allegations of forgery and fabrication prompt the petitioner to present the original documents for

<sup>42</sup> *Rollo*, pp. 60-61.

<sup>43</sup> *Id.* at 170-173.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.* at 172.

*Meyer*

inspection.<sup>46</sup> This is to give the respondents the opportunity to examine and controvert the documents presented.<sup>47</sup> Notably, the petitioner did not present the originals nor even attempted to explain why he cannot present the same, when these should have been easily accounted for as the same were in his possession. The non-presentation of the original without any explanation, that the photocopied documents do not present a complete list of MPRB's employees, the absence of certification as to their authenticity, and the allegation of forgery by the respondents raise legitimate doubts on the authenticity of the payrolls which renders the same devoid of any rational probative value.<sup>48</sup>

In closing, while not raised as an issue in this appeal, on account of its close relation to the errors herein assigned<sup>49</sup> and for the guidance of the Bench and the Bar, the Court deems it proper to discuss the propriety of the award for separation pay.

The CA, on motion for reconsideration, amended its decision and deleted the award of separation pay, ratiocinating that the grant of the said benefit is inconsistent with the finding that there is no illegal dismissal.

While the Court agrees with the ultimate result, a clarification must nonetheless be made.

Indeed, "where the employee was neither found to have been dismissed nor to have abandoned his/her work, the general course of action is for the **Court to dismiss the complaint, direct the employee to return to work, and order the employer to accept the employee.**"<sup>50</sup> However, the same is not absolute. In the following instances, separation pay was awarded in lieu of reinstatement, *viz.*:

1) in case of closure of establishment under Article 298 [formerly Article 283] of the Labor Code; 2) in case of termination due to disease or sickness under Article 299 [formerly Article 284] of the Labor Code; 3) as a measure of social justice in those instances where the employee is validly dismissed for causes other than serious misconduct or those reflecting on his moral character; 4) where the dismissed employee's position is no longer available; 5) when the continued relationship between the employer and the employee is no longer viable due to the strained relations between them; or 6) when the dismissed employee opted not to be reinstated, or the payment of separation benefits would be for the best interest of the parties involved. In all of these cases, the grant of separation pay presupposes that the employee to whom it was given was dismissed from employment, whether legally or illegally. In fine, as a

<sup>46</sup> *Loon, et al. v. Power Master, Inc., et al.*, 723 Phil. 515, 530 (2013).

<sup>47</sup> *Id.*

<sup>48</sup> *Asuncion v. NLRC*, 414 Phil. 329, 338-339 (2001).

<sup>49</sup> *Aklan College, Inc. v. Enero, et al.*, 597 Phil. 60, 74-75 (2009).

<sup>50</sup> *Claudia's Kitchen, Inc., et al. v. Tanguin*, 811 Phil. 784, 799 (2017), citing *Dee Jay's Inn and Café and/or Melinda Ferraris v. Rañeses*, 796 Phil. 574, 595-596 (2016).

*Meyer*

general rule, separation pay in lieu of reinstatement could not be awarded to an employee whose employment was not terminated by his employer.

x x x x

There were cases, however, wherein the Court awarded separation pay in lieu of reinstatement to the employee even after a finding that there was neither dismissal nor abandonment. In *Nightowl Watchman & Security Agency, Inc. v. Lumahan (Nightowl)*, the Court awarded separation pay in view of the findings of the NLRC that respondent stopped reporting for work for more than ten (10) years and never returned, based on the documentary evidence of petitioner.<sup>51</sup> (Citations omitted, emphasis and underscoring Ours)

However, none of the foregoing circumstances obtain in the case at bar. Not only were the parties unable to adduce evidence in support of the foregoing, much less, they have not made any allegation for the Court to consider that reinstatement is no longer preferred in the case at bar.

In the same vein, jurisprudence also recognizes the doctrine of strained relations as an exception to the general rule of reinstatement. In which instance, separation pay is accepted as an alternative when reinstatement is no longer desirable or viable. The doctrine, however, does not automatically apply nor can be inferred whenever a case for illegal dismissal is filed. Strained relations between the parties cannot be based on impression alone. It must be proven as a fact and supported by substantial evidence.<sup>52</sup> There being no allegation, much more evidence to prove that reinstatement is impossible because of the strained relations of the parties, the NLRC's order for reinstatement is proper.

**WHEREFORE**, in view of the foregoing, the instant petition for review on *certiorari* is hereby **DENIED**. Accordingly, the Decision dated October 27, 2015 and the Amended Decision dated September 19, 2016 of the Court of Appeals in C.A. G.R. SP No. 131134 are hereby **AFFIRMED with MODIFICATION** in that the wage differential which petitioner Manuel B. Pablico must pay respondents Numeriano Cerro, Jr., Michael Caliguiran, Efren Panganiban, Gloria Napitan, Reynalie Lim, Manny Baguno, Genius Pauig, and Richard Caronan shall be subject to interest at the rate of twelve percent (12%) *per annum*. Further, all of the monetary awards shall earn interest at the rate of six percent (6%) *per annum* from the date of finality of this Decision until fully paid. The appealed decision is affirmed in all other respects.

<sup>51</sup> Id. at 799-800.

<sup>52</sup> Id.; *Golden Ace Builders, et al. v. Talde*, 634 Phil. 364, 370-371 (2010).

*Meyer*

**SO ORDERED.**

*Reyes*  
**ANDRÉS B. REYES, JR.**  
Associate Justice

**WE CONCUR:**

*[Signature]*  
**DIOSDADO M. PERALTA**  
Associate Justice  
Chairperson

*[Signature]*  
**MARVIC M.V.F. LEONEN**  
Associate Justice

*[Signature]*  
**RAMON PAUL L. HERNÁNDO**  
Associate Justice

*[Signature]*  
**HENRI JEAN PAUL B. INTING**  
Associate Justice

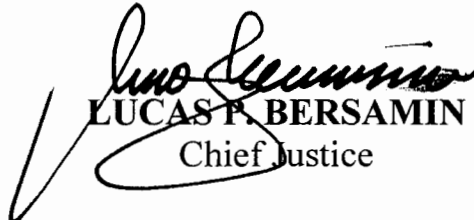
**ATTESTATION**

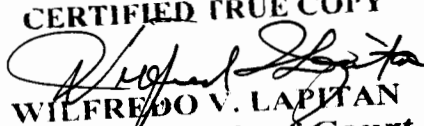
I attest that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

*[Signature]*  
**DIOSDADO M. PERALTA**  
Associate Justice  
Chairperson, Third Division

## CERTIFICATION

Pursuant to Section 13, Article VIII of the Constitution and the Division Chairperson's Attestation, I certify that the conclusions in the above Decision had been reached in consultation before the case was assigned to the writer of the opinion of the Court's Division.

  
LUCAS P. BERSAMIN  
Chief Justice

CERTIFIED TRUE COPY  
  
WILFREDO V. LAPITAN  
Division Clerk of Court  
Third Division

JUL 19 2019